



COMMUNIQUE

By means of Resolution SBP-0098-2016, the Superintendency of Banks of Panama decided to extend the Seizure of Administrative and Operating Control of **BALBOA BANK & TRUST, CORP.** for an additional thirty- (30) day period from the expiration of the term provided in Resolution SBP-0087-2016 dated 5 May 2016.

This decision was made based on Article 133 of the Banking Law, which provides that the period for the Seizure of Administrative and Operating Control can be extended for thirty (30) additional days based on a justified request by the Interim Administrator and under exceptional circumstances.

In his report to the Superintendency, the Interim Administrator indicated that at the moment of the Seizure of Administrative and Operating Control on 5 May 2016, the Bank was in the middle of modifying its technology platform through a United States corporation, and it was not until 13 May that this company was able to continue providing its services to the Bank under a license granted by the United States Department of the Treasury.

Consequently, the extension of the Seizure of Administrative and Operating Control will permit finishing the valuation of the Bank's assets and minimizing any loss of value to the entity, which will permit safeguarding the interests of the depositors to the maximum extent possible and defining a roadmap of the potential options under the banking legal framework that may be considered by the Superintendency of Banks.

The Superintendency of Banks reemphasizes the stability and soundness of the Panamanian banking system. This measure does not represent a contagion risk for the rest of the Banking System, because it is an isolated event occurring as a result of the measures taken by the United States Department of the Treasury's Office of Foreign Assets Control (OFAC) against the Waked economic group, which is closely related to BALBOA BANK & TRUST, CORP. and its subsidiaries.

The Superintendency of Banks exhorts the community to attend to only official communications issued by this institution and to ignore unfounded and malicious rumors circulated or posted in social networks and other unauthorized media. We reiterate that this kind of news is detrimental to the economic stability of the country and may incur in the commission of punishable offenses, as provided in Article 260 of the Penal Code.

Panama, 3 June 2016.